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Submitted electronically and via U.S. mail

The Honorable Nancy H. Sutley
Chair, Council on Environmental Quality
722 Jackson Place, NW
Washington, D.C. 20503

Dear Chairperson Sutley:

Subject: Greenhouse Gas Emissions from Biomass Combustion Under EO 13514

On behalf of Oglethorpe Power Corporation ("OPC"), I am writing with regard to the treatment of carbon dioxide ("CO_2") emissions from biomass combustion in the draft Federal Greenhouse Gas Accounting and Reporting Guidance ("Guidance") dated July 2, 2010.

OPC is the nation's largest power supply cooperative with about $6.5 billion in assets serving 39 Electric Membership Corporations which, collectively, provide electricity to more than 4.1 million Georgia citizens. A proponent of conscientious energy development and use, OPC balances reliable and affordable energy with environmental responsibility and has an outstanding record of regulatory compliance. Its diverse energy portfolio includes natural gas, hydroelectric, coal and nuclear generating plants with a combined capacity of approximately 5,790 megawatts (summer planning reserve capacity), as well as purchased power. OPC was established in 1974 and is owned by its 39 Member Systems. OPC is planning a 100 MW biomass-fired generating plant and, therefore, has a keen interest in the draft Guidance.

OPC generally supports the approach the Guidance takes with respect to CO_2 emissions from the combustion of biomass. Specifically, OPC agrees that such emissions should not be subject to agency reduction targets as part of the implementation of Executive Order ("EO") 13514. As one of the very few alternatives to fossil fuels that is both carbon neutral and capable of generating baseload electricity, biomass is an attractive option for reducing CO_2 emissions from electricity generation. Biomass also promotes national energy security by being domestically-sourced and renewable. Not subjecting CO_2 emissions from biomass combustion to agency reduction targets will help drive broader use of biomass as a source of power and help reduce the power sector's carbon footprint.

OPC also supports the ability of federal agencies to reduce CO_2 emissions by producing or purchasing electricity generating from renewable energy sources, including through the purchase of renewable energy certificates ("RECs"). *See* Guidance at 20. In particular, OPC supports the Guidance's treatment of biomass combustion as a source of renewable energy. Guidance at 22.

However, OPC respectfully disagrees with the Guidance's approach to the reporting of CO_2 emissions from biomass combustion. The Guidance states that federal agencies "must clearly identify and report Scope 1 CO_2 emissions associated with the biogenic portion of biofuel and biomass combustion." Guidance at 17. OPC believes that, since biomass is a carbon neutral source of electricity, requiring the reporting of emissions from biomass combustion is unnecessary and potentially misleading. Reporting requirements impose an extraneous burden on operators of biomass combustion facilities, adding costs and otherwise avoidable administrative barriers to the kind of carbon neutral alternative that EO 13514 was intended to encourage.

Reporting CO_2 emissions from biomass combustion risks undermining the goals of EO 13514, as it will distort the data federal agencies report as Scope 1 emissions. Such reporting means it will not be clear what portion of an agency's emissions is from biomass combustion and is thus carbon neutral. This weakens a principle incentive for switching to biomass combustion as a way to reduce CO_2 emissions, since under this approach the overall emissions an agency reports will not show any meaningful decrease. Indeed, by having to report biogenic emissions, agencies could appear to have missed their reduction targets, even if the reality is otherwise.

EPA has taken many of these issues into account in its treatment of emissions from biomass combustion in its greenhouse gas reporting rule. *See generally* 74 Fed. Reg. 56260 *et seq*. (Oct. 30, 2009). In the rule, a facility's CO_2 emissions from biomass combustion are not included in calculations that determine whether that facility's emissions are above the rule's applicability threshold for GHGs. Additionally, for facilities that combust biomass but whose emissions outside of CO_2 from biomass place them above the threshold, the rule requires most entities to report both their total biogenic CO_2 emissions and their emissions derived from other sources, thereby acknowledging that biogenic CO_2 has different significance from a policy making perspective.

Moreover, requiring such reporting directly conflicts with the approach and underlying policy rationale of EPA's Inventory of U.S. Greenhouse Gas Emissions and Sinks ("Inventory"), which the United States has submitted every year since 1993 as part of its obligations under the United Nations Framework Convention on Climate Change ("UNFCCC"). In reporting its national emissions, EPA adheres to guidelines developed by the Intergovernmental Panel on Climate Change ("IPCC"), which provide that CO_2 emissions from biomass combustion "should not be included in national CO_2 emissions from fuel combustion." *See* Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories, Vol. 3, at 1.10 ("Guidelines"). Rather, to avoid double counting and distorted data sets, the Guidelines direct Parties to account for CO_2 emissions associated with biomass combustion as part of the Land Use Change and Forestry sector. As the Guidelines state, "[i]f energy use … is causing a long term decline in the total carbon embodied in standing biomass … , this net release of carbon should be evident in the calculation of CO_2 emissions described in the Land Use Change and Forestry Chapter." *Id.*

This approach is rooted in the long-recognized fact that the growth of biomass stock and its eventual combustion constitutes a closed cycle, resulting in no net change in atmospheric concentrations of CO_2. Unlike fossil fuels such as coal or oil, which release CO_2 that was

sequestered millions of years ago, the CO_2 released from biomass combustion was sequestered during the lifetime of the biomass stock, producing a net-zero contribution to atmospheric CO_2 concentrations.

Accordingly, requiring reporting from individual sources of biomass combustion would contradict longstanding practices and potentially introduce misleading or even inaccurate data into individual and national-level emissions registries.

Thank you for the opportunity to submit these comments. Please contact me if you have any questions or need any additional information.

Sincerely,

Douglas J. Fulle, Vice President
Environmental Affairs

DJF:dmc

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